

Greater Tompkins County Municipal Health Insurance Consortium
Joint Meeting
Audit Committees

Thursday, July 18, 2013 - 3 p.m.

Ithaca Town Hall

Agenda

1. Call to Order
2. Approve Minutes of May 16, 2013 meeting
3. Discussion of Excellus Claims Process Privacy Questionnaire
4. Review Initial Request for Proposals for Claims Process and Audit
5. Review 1st quarter 2013 report
6. Other Items
7. Adjournment

Future Agenda Items:

Review results of State Audit (August)

Oversee development of Code of Ethics and Conflict of Interest Policy

Become familiar with Enterprise Risk Model (Don Barber requested)

Reports to Board of Directors

Minutes
Greater Tompkins County Municipal Health Insurance Consortium
Audit Committee
May 16, 2013 - 3:00 p.m.
Ithaca Town Hall

Attendees: Steve Thayer, Judy Drake, Chuck Rankin, Don Barber, Jerry Mickelson, Mimi Theusen, Michelle Pottorff
Excused: Chantalise DeMarco, Laura Shawley

Call to Order

Mr. Thayer called the meeting to order at 3:05 p.m.

Acceptance of Minutes

The minutes of the April 18, 2013 meeting were approved as submitted.

Approval of Whistleblower/Fraud Policy

It was unanimously approved by voice vote by members present, to present the following policy to the Board of Directors for approval:

**Greater Tompkins County Municipal Health Insurance Consortium Policy for
Disclosing Possible Wrongful Conduct (Whistleblower Policy)**

Overview

The Greater Tompkins County Municipal Health Insurance Consortium was established to provide cost effective health and other related insurance benefits for the employees and retirees of member municipalities and their dependents. The aggregate cost of the program affects the future benefits of all members. Ultimately, the true payers of these benefits are the taxpayers of the municipalities in which these employers are located. It is, therefore, incumbent upon everyone involved to ensure that any wrongful acts, such as theft, fraud, waste or abuse are properly reported.

Disclosure Policy

It is the policy of the Consortium that all individuals involved in the administration of the plan, as well as all members who receive benefits provided by the plan abide by the plan documents and all applicable state and federal laws and regulations. Any expected acts of theft, fraud, waste or abuse should be reported to the Consortium's Audit Committee or directly to the Attorney-in-fact¹ (John G. Powers of Hancock Estabrook LLP) for further investigation. Such investigation shall be commenced within 30 days. A written report of findings shall be submitted to the Board of Directors within 60 days.

¹ Municipal Cooperative Agreement; Section E. Board of Directors (18)

Anti-Discrimination Policy

Any employee who discloses an alleged act of theft, fraud, waste or abuse shall not be discriminated or retaliated against by his/her employer or by any representative of the Consortium. In fact, all disclosures or complaints shall be kept confidential to the maximum extent possible. Disclosures or complaints submitted anonymously shall receive the same treatment as those submitted with identification. Any acts of discrimination or retaliation due to an individual's disclosure of theft, fraud, waste or abuse shall be reported to the Consortium's Audit Committee or directly to the Attorney-in-fact. Reports of discrimination shall be investigated within 30 days. A written report of findings shall be submitted to the Board of Directors within 60 days.

Distribution

This policy shall initially be distributed to each member municipality, each member of the Board of Directors, and the Joint Committee on Plan Structure and Design. A copy shall also be posted in a conspicuous location at each member municipality facility, and on the Consortium's website.

Review

This policy shall be reviewed by the Board of Directors at least once every three (3) years.

Review Recommendation from New York State Department of Financial Services

Mr. Thayer said the agenda packet contained two questions raised by the Department of Financial Services along with a response from Steve Locey.

1. Has the Board ever requested certification from independent CPA that the responsible parties have implemented the procedures adopted by the Board. If yes, provide.

Mr. Barber said this is something that will come out of this Committee's discussion in looking at the financials and the claims and making sure the process is operating correctly. He said it would be good to find someone who can ensure that it is done properly, he Board Squires reported he received a second bill in the amount of \$3,500; the expected total cost of the audit is \$10,000. Mr. Barber said the State will submit a draft report in April and a final meeting will be held prior to the release of the final report. At a meeting prior to the auditors leaving it was communicated that one concern they had was the lack of quorum at meetings of the Joint Committee on Plan Structure and Design. With regard the capitalization payments, he said the State now views this as an assessment and have asked that the Consortium inform the State when those funds are intended to pay back. He reported the Bonadio Group will be meeting in the next week with the Department of Financial Services to review the draft JURAT filing and he expects the filing to go smoothly. He said he would like this Committee to become familiar with enterprise risk management and then go through the process with the Board of Directors. He will be bringing information he receives at the NYMIR retreat over the summer.

Mr. Barber said before the Consortium began a Request for Proposals (RFP) was put together but was never sent out because the Consortium began working with Locey & Cahill and they provided a lot of what was needed. Mr. Thayer suggested the RFP that was initially drafted by Jackie Kippola be reviewed by the Committee at its next meeting. Mr. Mickelson asked if this would be more procedural and above the claims audit. Mr. Barber said it could be

part of it as this would be process and the claims audit would be product. Mr. Mickelson said there would be a level of efficiency by doing both together.

2. Has the Board ever requested from the Plan's attorney a statement that the Plan's current claims adjudication procedures, including those set forth in the current claims manual, are in accordance with applicable statutes, rules and regulations?

Mr. Barber said this has not been done. He said the Department of Financial Services is looking at all the risks that may exist and how the Consortium is operating. He said Excellus has been handling all appeals up to this point and the Consortium has not been notified that there have been any appeals, however, the Department has reported there was one appeal and a request for additional information has been made. Ms. Drake questioned what the claims manual is. Mr. Thayer said additional information needs to be requested from Excellus on what process is used for appeals. He agreed to contact Excellus to get information on the entire process beginning from the initial claim.

Update on New York State Audit

Mr. Squires reported the Consortium has received invoices to date in the amount of \$20,000. Mr. Barber said there are a few items that are still being prepared for the Department of Financial Services. Once they are in the State will compile a draft report and will meet with at least one representative of the Consortium; however, he will invite the Audit Committee to participate in that meeting. They will inform the Consortium of what will be in the final report and will provide a period of time to respond. They will then make an official ruling on it and make the audit a final public document.

Review of Draft External Audit

Mr. Mickelson presented two documents in addition to the draft Audit Report:

Communication Letter: Communicates the Firm's understanding of the Plan and that the annual report has been audited as submitted and the official report. The letter addresses Qualitative Aspects of Accounting Practices and states no new accounting policies were adopted and the application of existing policies was not changed during 2012. Certain accounting estimates, specifically the Incurred But Not Reported Liability which is statutory at 12%, has an actuarial report that supports the 12% is appropriate as the actual experience has been somewhat less than that. There was one material correction of financial information as a result of the audit as an additional \$874,662 in Stop Loss recoveries which are difficult to predict. That dramatically increased the Consortium's net position; those reimbursements are based on claims that were processed in 2012.

Management Letter: Significant Deficiencies found included:

Contributed Capital: The interest accrual provision has not been recorded. Contributed capital amounted to \$198,400 in 2012 from the City of Cortland and Town of Lansing from \$1,223,736 in 2010 for a total of \$1,422,136 at December 31, 2012. The Consortium has reached an understanding with the Department of Financial Services that no repayment distributions will be made without prior communication.

Board Meetings: Many instances where the Joint Committee on Plan Structure and Design did not have a quorum present was noted. The audit includes a recommendation that a policy be implemented to ensure a quorum at each scheduled meeting; however, it was noted quorums were met more regularly during the current year.

Administrative Guidelines: During their review of the Municipal Cooperative Agreement it was noted the establishment of administrative guidelines and financial regulations for entry or new participants has not been completed. Ms. Pottorff will provide Mr. Mickelson with a copy of the process that was adopted by the Board of Directors.

Excellus BlueCross Administrative Services Contract: There is still a reference in the original document of having security of \$2,387,600 for run-out claims; however, no formal evidence of security was noted during the audit. They recommend a review of the Excellus Administrative Contract.

Incurred Claims Liability: They did not see any formal communication from the Department of Financial Services stating this shall be 12% of annual total expenses and it was recommended that formal documentation be obtained. Mr. Barber said there have been efforts to reach out the Department of Financial Services but there is not formal documentation. He noted the State has allowed the Consortium to file a JURAT using 12%. Mr. Mickelson said language will be added that states annual reports were filed for 2011 and 2012 using the 12% rate without any indication of that amount not being appropriate and that the 12% has been confirmed with the actuarial reports.

Audit of Medical Claims: It was recommended that an independent firm be engaged to perform audits of medical claims paid.

Mr. Mickelson briefly reviewed those items that have been resolved. He also reviewed the Consortium's net assets, stating the Consortium's net position went from \$1,249,619 in 2011 to \$4,626,192 in 2012. The Unassigned net position is \$3,197,415.

Mr. Mickelson spoke to the following section:

F. Net Position

Contributed Capital: Initial capitalization of the Plan, expected to be repaid in five years, subject to funds availability and approval by the Department of Financial Services. The initial capitalization by participating municipalities of \$1,422,136 has not been formally restricted as of December 31, 2012. No repayments have been made as of December 31, 2012.

Restricted for Contingency Reserve: A contingency reserve of 5% of current year premiums was established in accordance with New York State Insurance Law, Section 4706 (a)(5).

Unassigned: If a surplus of assessments exists after the close of the Plan year, after provision for payment of all known unsettled claims, and after receipt of an annual independent financial audit, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to, or included in, such contingency fund shall be applied in reduction of the next annual assessment or to the billing of Plan participants. The net position represent an appropriation of this excess for this purpose. Any deficit net position balance will need to be recovered from future premium adjustments.

He suggested the Consortium first take action to establish the capitalization in its own category which would leave a total of Unassigned assets of approximately \$1.7 million. At this point there can be consideration about establishing a contingency fund at some level. A comment section will be added that the Board should consider allocating funds to the Contributed Capital to fulfill the funding criteria for contributed capital and assess the need for

establishment of a contingency reserve. Mr. Barber said the only reserve the Department of Financial Services is requiring the Consortium to have is the revenue reserve of 5%. Article 47 does include language concerning a contingency reserve but the Consortium was not required to have one. He said one thing the Consortium could be looking at is whether there should be a contingency reserve, what the purpose would be, and how it would be used in accordance with plan provisions. It should also look into the changing the interest rate that was used to calculate the payback of the Capitalization Reserve.

Mr. Mickelson reviewed the Management and Discussion Analysis and asked that the Committee review its contents. In summary, for the year ending December 31, 2012 the Plan's net position increased by \$3,178,173, exclusive of additional capital contributions of \$198,000. The 2012 increase in net position is mainly attributable to an excess of revenues received over claims and administrative expenses. For the year ending December 31, 2011, the Plan's net position decreased by \$192,000. The 2011 decrease in net assets is mainly attributable to claims and administrative expenses in excess of revenues received.

Mr. Mickelson summarized the audit, stating in their opinion the financial statements referred to present fairly, in all material respects, the financial position of the business-type activities of the Greater Tompkins County Municipal Health Insurance Consortium as of December 31, 2012 and 2011 and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United State of America.

Mr. Squires pointed out there was an error in the calculation of revenues in the pie charts in this section. He also suggested amending the first bullet on page 2d to read: "During 2012, several claims exceeded the specific \$275,000 Stop Loss Attachment point. Reimbursement from such claims is likely to trigger substantial future additional premium adjustments as well as raising the coverage attachment point".

Mr. Barber said the providers, including the Hospital, have started a new program called Clinical Integration that requires a capital investment. They originally asked the Consortium to contribute \$300,000; however, they have gone to Excellus and will be going through them to pay for it. He said although he has been told this will be saved through undefined efficiencies it is unclear how this will impact the budget.

Ms. Drake spoke of the additional administrative expenses the Consortium has assumed and questioned if they are aligned with where they should be. Mr. Barber said the Consortium has been lucky up to this point by having a \$30 million company run by individuals who are not professionals in the health insurance field. Most of the additional expenses have been warranted and are based on recommendations of the Department of Financial Services.

Mr. Mickelson asked that members submit comments to him by May 20th in order for them to be revised and submitted to the full Board on May 23rd.

Adjournment

The meeting adjourned at 4:20 p.m.

Tompkins County Council of Governments

Request for Proposals

Tompkins County is the lead agency of the Tompkins County Council of Governments, an initiative, funded by a state grant, to establish a cost effective cooperative arrangement to deliver health benefits to the covered members of municipal employers in Tompkins County. As a part of this process, Tompkins County is soliciting proposals for Pharmacy Benefit Claims Data Analysis and Claim Audit Services for the employers who are currently providing experience rated health care benefits. Tompkins County currently provides self funded pharmacy benefits to its eligible employees and retirees, and their eligible dependents, administered by **InformedRx** with offices at: **23 British American Boulevard, Latham NY 12110**. The City of Ithaca and Town of Ithaca currently provides pharmacy benefits to eligible employees and retirees, and their eligible dependents administered by **FLRx**, a division of Excellus Health Plan, Inc. with offices at: **165 Court Street, Rochester, NY 14647**, through Premium Credit funding arrangements with Excellus BlueCross BlueShield. You are invited to submit your proposal based upon the specifications contained herein.

Five (5) copies of your proposal will be accepted at the office of:

Purchasing Department
Tompkins County
125 East Court Street
Ithaca, NY 14850

until 12:00 Noon on **November 21, 2008**.

If you decide that you will not be offering a proposal, please advise us of that fact prior to the deadline. Please note that proposals that are received after the deadline will not be considered.

A detailed analysis and comparison will be made of the proposals that are received. The right is reserved to contact any, all, or none of those submitting a proposal for clarification and/or modification of proposals received. The right is also reserved to reject any or all proposals received.

Under no circumstances should Tompkins County, the City of Ithaca or the Town of Ithaca be contacted directly. No responsibility is accepted for oral instructions, or for misunderstandings arising from them. Written responses to any questions will be distributed to all known potential bidders. All communications pertaining to proposals will be conducted with Tompkins County's consultant:

XXXXXXXXXXXXXXXXX

The Pharmacy Benefit Claims Data Analysis and Claim Audit Services are to be concluded not later than January 30, 2009, with a full report to Tompkins County by February 13, 2009 and presentation to the County on a date to be determined.

It is not anticipated that the firm selected will be required to conduct on site audits of the Pharmacy Benefits Managers. If you believe that an on site visit is advisable, please state your reasons and associated charges.

Requirements

A bidder must:

1. Show evidence that it has extensive knowledge about Pharmacy Benefits in general, self-funding pharmacy benefits and the Pharmacy Benefit Management market.
2. Designate a lead account representative.
3. Provide detailed résumés for all key account personnel, emphasizing relevant qualifications and experience.
4. Provide a sample copy of your proposed contract.
5. Identify any services that will be subcontracted to another individual or entity. If any services are subcontracted, confirm that you will be solely responsible for performance of the services proposed, ensuring that all information required pursuant to this Request for Proposals will be provided to your subcontractor to render the services requested.
6. Provide the contact information of at least five organizations of similar size/type for which the office and personnel who will be handling this account have provided audit services.
7. Identify any current or former clients or customers of your firm that you believe could present a potential conflict of interest, or the appearance of a conflict of interest, with your firm's proposed offering of services to Tompkins County.
8. Identify what internal and external legal resources you have available to assist with this study, if required.
9. Describe the measures you will take to safeguard the confidentiality of any information obtained from or about Tompkins County and its covered members, arising from this engagement. Confirm that you not disclose any information obtained without the prior written permission of Tompkins County.
10. Provide details of the breakdown of your proposed fee for conducting this audit. Describe any additional charges that might be payable by the Tompkins County Council of Governments, and the circumstances under which they might become payable.

Provide annual for the County, City, and Town costs:

Cost to audit claims September 29, 2007-September 30, 2008 \$_____

Cost to audit claims September 29, 2006-September 30, 2007 \$_____

FOR THE COUNTY ONLY:

Cost to audit claims September 29, 2005-September 30, 2006 \$_____

Cost to audit claims September 29, 2004-September 30, 2005 \$_____

Cost to audit claims May 1, 2003-September 30, 2004 \$_____

Key Personnel

You must confirm your understanding and acceptance that the County's agreement to a contract is based on your representations that specific individuals, identified in your proposal, will render the services requested. No substitution for such individuals will be permitted without the prior written approval of the County. The County will not unreasonably withhold approval of equally qualified substitutes. You must guarantee that timeliness and quality of service will not be impaired by any required substitutions.

SERVICES TO BE PROVIDED

A proposal for a two step process is requested. Please price your proposal to include the consideration that, depending upon the results obtained in step one, step two may not be pursued.

Step One, without regard to any aspects of Plan Design and Compliance

- A. Review the Pharmacy Benefits Management Contract. Identify any and all potential impediments to your ability to successfully complete the services requested in Step Two.
- B. For the period May 1, 2003 through September 30, 2008 for Tompkins County and the most recent twenty-four (24) month period for the City of Ithaca and the Town of Ithaca, evaluate the effective ingredient cost discount from the Average Wholesale Price published by the service used by the PBM on the date of each claim. Advise the Number of Claims Evaluated and the Claims AWP Database Employed.

Report your findings in summary form for each employer, separately for Retail and Mail Service, to Tompkins County as follows:

- 1. Brand (less than 90 day supply)
- 2. Brand (90 day supply or greater)
- 3. Total Brand
- 4. Generic (less than 90 day supply)
- 5. Generic (90 day supply or greater)

6. Total Generic

For each of the six categories above Report:

1. Number of Prescriptions
 2. Submitted Ingredient Cost
 3. Average Wholesale Price
 4. Discounted Ingredient Cost
 5. Dispensing Fees
 6. Average Dispensing Fee
 7. Effective Discount From AWP
- C. Identify the Top 100 Pharmacies utilized, ranked highest to lowest by Plan Payment, giving the Data Totals for the seven fields above for each.
- D. Identify the Top 100 Prescriptions dispensed, ranked highest to lowest by Plan Payment, giving the Data Totals for the seven fields above for each.

Step Two – To proceed if the results of Step One warrant further investigation.

Operations Review

1. Review of Achieved Discounts, verifying underlying ingredient costs.
2. Review and verification of Dispensing Fees.
3. Review and verification of Administration Fees.
4. Review and verification of Formulary Rebates Administration and Payment v. Guarantees per contract.
5. Review of Mail Service Dispensing Accuracy in Fulfillment.
6. Review and identification of Savings efforts, if any, in the form of Product Switch or Intervention Efforts, Lower of Discount Guarantee v. UCR, Electronic Edits, Concurrent and Retrospective DUR Savings.
7. Review of Coordination of Benefits procedures and effectiveness, including sources of COB data and methods of coordination.
8. Verify compliance with Dispensing Limits.
9. Verify proper application of participant Cost Sharing.
10. Identify Invalid Claims (for any reason, including not covered), if any, and associated cost to the County.
11. Detail for the County, Deviations from Contract Terms that you discover and quantify Financial Impact.

12. Provide appropriate Documentation and Support for Tompkins County to pursue any potential recoveries from the PBMs.

In your proposal, explain how you will perform the requested processes. Include sample copies of the reports that you will provide. Any suggestions that you have regarding the audit design to improve the quality of the resulting study are welcomed.

Tompkins County Council of Governments

Request for Proposals

Tompkins County is the lead agency of the Tompkins County Council of Governments, an initiative, funded by a state grant, to establish a cost effective cooperative arrangement to deliver health benefits to the covered members of municipal employers in Tompkins County. As a part of this process, Tompkins County is soliciting proposals for Health Claims Data Analysis and Claim Audit Services for the employers who are currently providing experience rated health care benefits. Tompkins County, the City of Ithaca and the Town of Ithaca currently provide fully insured health care benefits to their eligible employees and retirees, and their eligible dependents, administered by EXCELLUS BLUECROSS BLUESHIELD utilizing different funding arrangements. Tompkins County has a Retrospective Without Recoupment Contract. The City of Ithaca and the Town of Ithaca have Premium Credit Contracts. You are invited to submit your proposal based upon the specifications contained herein.

Five (5) copies of your proposal will be accepted at the office of:

Purchasing Department
Tompkins County
125 East Court Street
Ithaca, NY 14850

until 12:00 Noon on **December 1, 2008.**

If you decide that you will not be offering a proposal, please advise us of that fact prior to the deadline. Please note that proposals that are received after the deadline will not be considered.

A detailed analysis and comparison will be made of the proposals that are received. The right is reserved to contact any, all, or none of those submitting a proposal for clarification and/or modification of proposals received. The right is also reserved to reject any or all proposals received.

Under no circumstances should Tompkins County, the City of Ithaca or the Town of Ithaca be contacted directly. No verbal modifications of this request will be issued. No responsibility is accepted for oral instructions, or for misunderstandings arising from them. Written responses to any questions will be distributed to all known potential bidders. All communications pertaining to proposals will be conducted with Tompkins County's consultant:

XXXXXXXXXXXXXXXXXXXXX

The Health Claims Data Analysis and Claim Audit Services are to be concluded on both plans not later than January 30, 2009, with a full report to the County by February 13, 2009.

Qualifications and Requirements

1. Demonstrate that you have the knowledge and experience to necessary to perform the services requested.
2. Designate a lead account representative.
3. Provide detailed resumes, including qualifications and experience, of all key personnel who will render service, if selected.
4. Provide a sample copy of your proposed contract.
5. Identify any services that will be subcontracted to another individual or entity. Confirm that you will be solely responsible for performance of the services proposed, ensuring that all information required pursuant to this Request for Proposals will be provided to your subcontractor to render the services requested.
6. Provide the contact information of at least five municipal employers of similar size who are familiar with you and the personnel who will perform the services requested.
7. Identify any current or former clients who you believe might present a potential, or the appearance of, a conflict of interest in your proposed offering to the County.
8. Identify any legal resources that you have available, if necessary, to assist with this project.
9. Confirm that you will maintain the confidentiality of any information that you obtain from, or about, the County's medical benefit program and its participants. Confirm that you not disclose any information obtained without the prior written permission of Tompkins County.
10. Provide details of the breakdown of your proposed fee for conducting this audit. Describe any additional charges that might be payable by the County, and the circumstances under which they might arise.

Provide pricing options that are annual:

Cost to audit claims September 29, 2007-September 30, 2008 \$ _____

Cost to audit claims September 29, 2006-September 30, 2007 \$ _____

Cost to audit claims June 1, 2005-September 29, 2006 \$ _____

Key Personnel

You must confirm your understanding and acceptance that the County's agreement to a contract is based on your representations that specific individuals, identified in your proposal, will render the services requested. No substitution for such individuals will be permitted without the prior written approval of the County. The County will not unreasonably withhold approval of equally qualified substitutes. You must guarantee that timeliness and quality of service will not be impaired by any required substitutions.

SERVICES TO BE PROVIDED

AUTOMATED CLAIM RECORD TESTING

1. Identify any changes in the pattern of claim payments.
2. Obtain a statistically valid measure of the accuracy and performance quality of the claims payer.

ON-SITE CLAIMS AUDIT

Sample Selection

Present recommendations for the composition of the sample to the Plan based on the automated testing findings. In addition to claims selected by this method, include a study of claims paid totaling \$75,000 or more. The large claims study should include, but not necessarily be limited to, claims incurred June 1, 2005 through September 30, 2008 and paid June 1, 2006 through September 30, 2008.

Operations Review

1. Review procedures and flow of work through the claim office
2. Review of the provider networks and reimbursement methodologies used for the Plan
3. Review internal audit procedures and the results of recent audits;
4. Review of coordination of benefits procedures including sources of COB data and methods of coordination
5. Review the use and transmission of pre-certification information, if any
6. Review controls to detect and prevent fraudulent claims
7. Review the claim system editing capabilities to identify questionable coding or charges (e.g., fee unbundling, upcoding, etc.).
8. Identify claims processed during the audit that exceeded an individual participant's stop-loss level. Verify that appropriate procedures are in place to track these claims and confirm appropriate steps have been taken to obtain reimbursement for eligible claims.

On-Site Audit

1. Confirm that the claimant was eligible under the Plan on the date(s) of service.
2. Confirm that claim submission was complete
3. Confirm that claim was coded with the correct procedure and diagnosis codes before being entered into the processing system. Benefits were paid under the proper benefit classification, diagnostic, and procedure codes.
4. Confirm that claims were paid in strict accordance with provisions of the Plan.
5. Confirm that documentation (provider bills, physician statements, utilization review findings, surgical reports, etc.) was on file for claims paid and verified when necessary.
6. Confirm that appropriate checks were made to ensure that there was no other coverage available to the claimant or, if there was other coverage, payments were coordinated correctly.
7. Confirm that the fee schedules and limitations established by the Plan and the provider contracts were correctly applied.
8. Confirm that amounts paid were within the designated UCR allowances and/or discounted fees for the area where treatment was rendered based on schedules utilized.
9. Confirm that appropriate checks were made to ensure that the claim was not charged twice.
10. Confirm that applicable utilization review processes were applied, and to the extent that there are subsequent changes in the pre-certification decision, claim adjustments have been made appropriately.
11. Confirm that the computations were accurate.
12. Confirm that appropriate benefit limitations, deductibles, copayments, coinsurance, and out-of-pocket maximums were applied.
13. Confirm that sufficient documentation was included in the file to support the payment of the claim.
14. Confirm that coordination of benefits, subrogation, and pre-existing provisions were enforced, where applicable.
15. Confirm that the amount paid agrees with the amount shown on the "claim payment register" and was correctly charged to the contract.
16. Confirm that payment was made to the proper party (*i.e.*, the provider of service if benefits were assigned; claimant if benefits were not assigned).

17. Confirm that turnaround time for processing of claims was within industry standards.

Any suggestions that you have regarding the audit design to supplement the foregoing are welcomed.

2013 Plan Year - Quarterly Statement

FOR THE PERIOD ENDING March 31, 2013

OF THE CONDITION AND AFFAIRS OF Affix Bar Code Above

Greater Tompkins County Municipal Health Insurance Consortium
(Name)

A Municipal Cooperative Health Benefit Plan organized under the laws of the State of New York

made to the New York State Department of Financial Services pursuant to the laws thereof.
(Appropriate Agency)
Date Certified As An MCHBP: October 1, 2010
Commenced Business: January 1, 2011
Mailing Address: c/o Jackie Kippola, Risk Manager, County of Tompkins, 125 East Court St, Ithaca, NY 14850
Address of Main Administrative Office: Same as Mailing Address
Telephone Number: (607) 274-5548 Employer's ID Number: 27-1447438
Principal Location of Books and Records: Same as Mailing Address
Name of Administrator: N/A
Contact Person and Phone Number: Donald Barber, Chairperson, (607) 539-3395
Service Areas (Counties): Tompkins County

OFFICERS*

President: Donald Barber, Chairperson Other Officers: M. Elizabeth Karns, Vice Chairperson
Secretary: Judy Drake
Chief Financial Officer: Steven P. Thayer, Controller, City of Ithaca, 1st Floor of City Hall, 108 East Green St, Ithaca, NY 14850

GOVERNING BOARD*

Table with 3 columns: Name, Municipality. Lists board members including Svante L. Myrick (Mayor, City of Ithaca), Anita Fitzpatrick (Commissioner of Personnel, County of Tompkins), Donald Barber (Supervisor, Town of Caroline), etc.

STATE OF New York
COUNTY OF Tompkins

Donald Barber, President, Judy Drake, Secretary,
Steven P. Thayer, Chief Financial Officer (or Corresponding person having charge of the financial records of the MCHBP) of the Greater Tompkins County Municipal Health Insurance Consortium, being duly sworn, each for himself deposes and says that they are the above described officers of the said MCHBP, and that on the reporting period stated above, all of the herein assets were the absolute property of the said MCHBP, free and clear from any liens or claims thereon, except as herein stated, and that this Statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said MCHBP as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

Subscribed And Sworn To Before Me This Day
of , 20
NOTARY PUBLIC (Seal)
President, Secretary, Chief Financial Officer
(Corporate Seal)

- (a) Is this an original filing? Yes [X] No []
(b) If no: (i) state the amendment number
(ii) date filed
(iii) number of pages attached

*Revised 1997
*Show full name (initials not acceptable) and indicate by number sign (#) those officers and directors who did not occupy the indicated position in the previous statement.

REPORT #1 - Part A: ASSETS

	1	2
	Current Quarter	Previous Year
CURRENT ASSETS:		
1. Cash and Cash Equivalents	\$ 5,209,585	\$ 4,273,608
2. Short-term Investments	-	-
3. Premiums Receivable	956,714	-
4. Investment Income Receivables	-	-
5. Aggregate Write-ins for Current Assets	953,276	1,207,851
6. TOTAL CURRENT ASSETS (Items 1 to 5)	7,119,575	5,481,459
OTHER ASSETS:		
7. Long-term Investments	-	-
8. Aggregate Write-ins for Other Assets	2,227,670	2,227,154
9. TOTAL OTHER ASSETS (Items 7 and 8)	2,227,670	2,227,154
10. TOTAL ASSETS (Items 6 and 9)	\$ 9,347,245	\$ 7,708,613

REPORT #1 - Part B: LIABILITIES AND NET WORTH

	Current Quarter	Previous Year
	1	2
	Total	Total
CURRENT LIABILITIES:		
1. Accounts Payable	\$ 36,908	\$ -
2. Claims Payable (Reported and Unreported)	3,507,642	3,082,421
3. Claim Stabilization Reserve	-	-
4. Unearned Premiums	-	-
5. Loans and Notes Payable	-	-
6. Aggregate Write-ins for Current Liabilities	-	-
7. TOTAL CURRENT LIABILITIES (Items 1 to 6)	3,544,550	3,082,421
OTHER LIABILITIES:		
8. Loans and Notes Payable	-	-
9. Aggregate Write-ins for Other Liabilities	-	-
10. TOTAL OTHER Liabilities (Items 8 and 9)	-	-
11. TOTAL LIABILITIES (Items 7 and 10)	3,544,550	3,082,421
NET WORTH:		
12. Contributed Capital	-	-
13. Surplus Notes	-	-
14. Surplus per Section 4706(a)(5) **	1,743,277	1,428,777
15. Retained Earnings/Fund Balance	4,059,418	3,197,415
16. TOTAL NET WORTH (Items 12 to 15)	5,802,695	4,626,192
17. TOTAL LIABILITIES AND NET WORTH (Items 11 and 16)	\$ 9,347,245	\$ 7,708,613

STATEMENT #2 - STATEMENT OF REVENUE, EXPENSES AND NET WORTH
INCLUDING MEDICARE AND MEDICAID

	1	2	3	4
	Current Quarter	Year-to-Date	Current Quarter PMPM	Year-to-Date PMPM
MEMBER MONTHS	20,560	20,560		
REVENUES:				
1. Premiums (Basic) Community Rated	\$ 8,716,176	\$ 8,716,176	\$ 423.94	\$ 423.94
2. Investment	1,397	1,397	\$ 0.07	\$ 0.07
3. Aggregate Write-ins for Other Revenues	38,630	38,630	\$ 1.88	\$ 1.88
4. TOTAL REVENUES (Items 1 to 3)	8,756,203	8,756,203	\$ 425.89	\$ 425.89
EXPENSES:				
Medical and Hospital:				
5. Hospital and Medical	5,328,169	5,328,169	\$ 259.15	\$ 259.15
6. Drug	1,706,238	1,706,238	\$ 82.99	\$ 82.99
7. Aggregate Write-ins for Other Expenses	-	-	\$ -	\$ -
8. Subtotal (Items 5 to 7)	7,034,407	7,034,407	\$ 342.14	\$ 342.14
9. Reinsurance Expenses net of Recoveries	148,936	148,936	\$ 7.24	\$ 7.24
LESS:				
10. C.O.B. and Subrogation	-	-	\$ -	\$ -
11. TOTAL MEDICAL AND HOSPITAL (Items 8 and 9, less 10)	7,183,343	7,183,343	\$ 349.38	\$ 349.38
12. REVENUES LESS MEDICAL AND HOSPITAL (Item 4 less 11)	1,572,860	1,572,860	\$ 76.50	\$ 76.50
Administration:				
13. Compensation	-	-	\$ -	\$ -
14. Interest Expense	-	-	\$ -	\$ -
15. Occupancy, Depreciation, and Amortization	-	-	\$ -	\$ -
16. Marketing	-	-	\$ -	\$ -
17. Aggregate Write-ins for Other Administrative Expenses	396,357	396,357	\$ 19.28	\$ 19.28
18. TOTAL ADMINISTRATION (Items 13 to 17)	396,357	396,357	\$ 19.28	\$ 19.28
19. TOTAL EXPENSES (Items 11 and 18)	7,579,700	7,579,700	\$ 368.66	\$ 368.66
20. INCOME (LOSS) (Item 4 less Item 19)	1,176,503	1,176,503	\$ 57.22	\$ 57.22
21. Extraordinary Items	-	-	\$ -	\$ -
22. Provision for Federal Income Tax	-	-	\$ -	\$ -
23. NET INCOME (LOSS) (Item 20 less Items 21 and 22)	\$ 1,176,503	\$ 1,176,503	\$ 57.22	\$ 57.22

Exhibit I — ENROLLMENT DATA THIS QUARTER

A	B Enrollment End of Previous Quarter	C Additions During Quarter	D Terminations During Quarter	E Net Enrollment End of Quarter	Member Months	
					F Current Quarter	G Year-to-Date
Community Rated	6,010	872	-	6,882	20,560	20,560

SECTION III — ANALYSIS OF UNPAID CLAIMS — PREVIOUS FISCAL YEAR

A Description of Claims	B Claims Paid During the Year*		C Claims Unpaid at End of Current Year Viz: Estimated Liability at End of Current Year		F Total Claims Paid During the Year and Claims Unpaid at End of Current Year on Claims Incurred in Prior Years (B + D)	G Estimated Liability of Unpaid Claims at End of Previous Year
	B On Claims Incurred Prior to Current Year	C On Claims Incurred During the Year	D On Claims Unpaid at End of Previous Year	E On Claims Incurred During the Year		
1. Hospital & Medical Claims	\$ 1,666,900	\$ 3,287,207	\$ 40,076	\$ 106,415	\$ 1,706,976	\$ 3,062,115
2. Drug Claims	141,054	1,542,167	-	245,558	141,054	445,527
3. Other	-	-	-	-	-	-
4. TOTAL	\$ 1,807,954	\$ 4,829,374	\$ 40,076	\$ 351,973	\$ 1,848,030	\$ 3,507,642